GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4001
ANSWERED ON:20.08.2001
PERFORMANCE OF VSNL
VILAS BABURAO MUTTEMWAR

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Videsh Sanchar Nigam Limited (VSNL) has shown better performance during the year 2000-2001 and declared higher dividend in comparison to the previous three years;

(b) if so, the details thereof; and

(c) the factors responsible for the same?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) Yes, Sir.

(b) The details of performance of the VSNL for the past four years is given below:-

(Amount in Rs. Million)

Particulars	Financial year ended March 31st			
	1998	1999	2000	2001
Net Sales from operations	61,251	68,314	69,676	72,975
Other Receipts	3,110	3,441	2,629	6,684
Total Revenue	64,361	71,756	72,305	79,659
Total Expenditure	50,077	52,101	52,878	54,964
Profit Before Tax	14,284	19,655	19,427	24,695
Profit After Tax	9,679	13,250	8,403++	17,788
Dividend declared(%)	40	80	80	500+
Amount of dividend paid	380	760	760	14250+

\+ Subject to approval by shareholders at AGM
++ Due to ICO Write-off of Rs. 5127 million as an extra ordinary item.

(c) The profitability for the year 2000-2001 has been higher primarily due to the following factors:

(i) Increase in voice telephony traffic.

(ii) Increase in revenue from Value Added Services such as Internet, International private leased circuits, Frame Relay etc.

(iii) Increase in return from Intelsat.

(iv) Higher other income.

(v) The profit for the year 1999-2000 was lower due to write-off of an amount of Rs. 5127 Mn. in respect of investment in ICO Global Communications (Holdings) Ltd. Hence, on a year-to-year comparison, profit for 1999-2000 was substantially lower than the profit for the year 2000-2001.